

**CARLSBAD TOURISM BUSINESS IMPROVEMENT DISTRICT  
(CTBID) BOARD**

**AGENDA**

**May 19, 2009**

**1:00 p.m.**

**City of Carlsbad**

**1635 Faraday Avenue, Room 173A**

**Carlsbad, CA**

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**NOTICE TO THE PUBLIC:**

1. Meetings are divided into categories shown below
2. When you are called to speak, please come forward and state your name and address.
3. All persons requiring assistance or auxiliary aids in order to effectively participate may contact the Administrative Services Office (760-602-2409) at least 24 hours prior to the meeting to arrange for reasonable accommodations.

**PUBLIC COMMENT:**

If you desire to speak about an item not listed on the agenda, a pink "Time Reservation Request" form should be filed with the Board Minutes Clerk. A total of 15 minutes is provided for the Public Comment portion of the Agenda. Speakers are limited to three (3) minutes each.

If you desire to speak concerning an item listed on the agenda, a white "Time Reservation Request" form should be filed with the Board Minutes Clerk. Each speaker is limited to three (3) minutes each. Please remember to state your name and address for the record.

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**I. CALL TO ORDER**

**1:00 p.m.**

**II. ROLL CALL**

**CONSENT CALENDAR:** The items listed under Consent Calendar are considered routine and will be enacted by one motion as listed. There will be no separate discussion on these items prior to the vote, unless an item is removed.

**(C) III. APPROVE MINUTES OF FEBRUARY 17, 2009**

To approve the minutes of the February 17, 2009 meeting of the CTBID Board of Directors.

**IV. AB05-09-43 ADOPT 2009-10 ANNUAL REPORT**

Adopt Resolution #2009-3 approving the 2009-10 CTBID Annual Report and Budget.

**V. AB05-09-44 APPROVE CONTRACT WITH CARLSBAD DESTINATION MARKETING ORGANIZATION**

Receive report from Reint Reinders and Associates. Adopt Resolution #2009-4 entering into a contract with Carlsbad Destination Marketing Organization.

**VI. AB05-09-45 APPROVE CONTRACT WITH REINT REINDERS AND ASSOCIATES (RR&A)**

Adopt Resolution #2009-5 entering into a contract with RR&A.

**VII. DISCUSSION ITEMS**

- 1) Marketing campaign update by Mindgruve

**VIII. NEXT MEETING**

The date for the next meeting will be decided. Agenda topics to include:

- 1)

**The remainder of the categories is for reporting purposes. In conformance with the Brown Act, no public testimony and no Board action can occur on these items.**

**GENERAL COUNSEL COMMENT**

**PUBLIC COMMENT**

**ADJOURNMENT**

# MINUTES

MEETING OF: CARLSBAD TOURISM BUSINESS IMPROVEMENT  
DISTRICT BOARD (Special Meeting)  
DATE OF MEETING: February 17, 2009  
TIME OF MEETING: 9:00 a.m.  
PLACE OF MEETING: City Council Chambers

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**CALL TO ORDER:** Chair Shute called the Meeting to order at 9:06 a.m.

**ROLL CALL** was taken by the Deputy City Clerk, as follows:

**Present:** Shute, Stripe, Cima and Becerra.  
**Absent:** Canepa and Howard-Jones.

## **APPROVAL OF MINUTES:**

On a motion by Board Member Stripe, the minutes of the following meeting were unanimously approved as presented:

Minutes of the Special Meeting held December 22, 2008

## **CONSENT CALENDAR:**

**ACTION:** On a motion by Chair Shute, the Board affirmed the action of the Consent Calendar, Item No. IV as follows:

**AYES:** Shute, Stripe, Cima and Becerra.  
**NOES:** None.  
**ABSENT:** Canepa and Howard-Jones.

## **WAIVER OF ORDINANCE TEXT READING:**

Council waived the reading of the text of all Ordinances and Resolutions at this Meeting.

## **IV. CTBID GRANT RECIPIENT REPORT.**

The Board received the report from ArtSplash on results from use of CTBID Grant Funds.

Board Member Howard-Jones arrived at the Meeting at 9:07 a.m.

## **REPORTS AND DISCUSSION ITEMS:**

### **V. STAFF REPORT**

Staff Liaison Cheryl Gerhardt presented the Financial Update Report and reviewed a PowerPoint Presentation (Exhibit 1 attached to Minutes).

In response to an inquiry from Board Member Stripe, Ms. Gerhardt confirmed that the occupancy rate for November and December had decreased in comparison to the previous year.

Ms. Gerhardt also reviewed the Transient Occupancy Tax (TOT) revenue history. She further explained that the TOT had also decreased since September, 2008.

Board Member Stripe requested that staff prepare a slide relating to occupancy rates as a metric in the future.

Ms. Gerhardt concluded the presentation by reviewing the 2008/2009 Fiscal Year Budget. She explained that the CTBID has \$230,000 in unbudgeted reserve funds.

In response to Board Member Cima, Ms. Gerhardt stated that the \$230,000 of unbudgeted reserves is approximately 21% of the CTBID total budget.

Board Member Cima requested that staff obtain a forecast throughout the end of 2009 regarding the revenues of the hotels in Carlsbad.

The Board received the Report.

## **VI. DISCUSSION:**

- 1) Report from Mindgruve, Inc. regarding the status of the marketing and advertising campaign regarding tourism in Carlsbad.

Mindgruve, Inc. Account Manager Laura Hartman presented a PowerPoint Presentation (Exhibit 2 attached to Minutes). Ms. Hartman gave an overview of the marketing and advertising campaign. The overview included the:

- Project Timeline
- Project Status Report
- Proposed changes to visitcarlsbad.com

Ms. Hartman explained that Mindgruve staff had performed an audit of the website visitcarlsbad.com and identified areas of needed improvements such as better use of internal linking for ease in navigation.

Board Member Cima confirmed that visitors to the visitcarlsbad.com site would be directed to an external website to purchase items such as Legoland tickets.

In conclusion Ms. Hartman stated that Mindgruve, Inc. has partnered with RUF Strategic Solutions, a destination marketing research company, to analyze the existing database of visitors to the visitcarlsbad.com website. She further explained that the data gathered will assist Mindgruve, Inc. with identifying potential visitors to Carlsbad.

In response to an inquiry from Board Member Cima, Ms. Hartman confirmed that the data gathered by RUF Strategic Solutions would be shared with the hoteliers.

In response to an inquiry from Board Member Becerra, Ms. Hartman stated that the owner of the domain name visitcarlsbad.com is the Carlsbad Visitor's Buereau.



## 2) Update from CCVB on Executive Director Recruitment

Carlsbad Convention and Visitors Bureau Representative Nancy Nayudu came forward to address the Board. Ms. Nayudu explained that the Bureau is considering the transition to becoming a Destination Marketing Organization (DMO).

Ms. Nayudu also reviewed the job description for the future Executive Director of the DMO.

In response to Board Member Becerra, Ms. Nayudu explained that there are currently 12 members on the Carlsbad Convention and Visitors Bureau Board.

Board Member Becerra suggested that perhaps five individuals from various tourist serving industries sit on the Board rather than the CTBID Board Members.

Board Member Stripe commented that he thought the DMO Board would consist of CTBID Board Members.

Ms. Nayudu also explained that since the CTBID Board is an advisory board that does not meet often, the DMO Board would be structured in such a way to meet often and would work with the CTBID.

Ms. Nayudu stated that the CCVB is working on establishing the makeup of the DMO Board.

Mr. Stripe suggested that perhaps paying a membership fee to serve on the DMO would be a way to help defray Board costs.

Deputy City Manager Jim Elliott explained that the City is experiencing a time of change and that perhaps the CTBID Board may want to think about what should be included in the DMO by-laws. In conclusion, he stated that the CTBID is the directing body and that the DMO's function would be to implement the goals of the CTBID Board.

## **VII. AB Report from Reint Reinders & Associates (RR&A):**

To receive report from Reint Reinders & Associates, discuss recommendations and direct staff appropriately.

Mr. Reinders came forward to address the Board. He explained that the visitcarlsbad.com website is where the various tourist destinations in Carlsbad have the opportunity to display their destinations. He also commented that there is a need to have all participants active behind the "brand" of Carlsbad to allow for a position on the internet.

Mr. Reinders also suggested that there be a team in place to work with the CTBID as the Carlsbad Convention and Visitor's Bureau transitions to the Destination Marketing Organization.

In response to an inquiry from Board Member Stripe, a representative from Mindgruve – Chad Robley, explained that the range for executing the visitcarlsbad.com website as currently proposed could cost from \$4,000 to \$5,000 per month.

Board Member Stripe confirmed that Mr. Reinders would provide a timeline regarding the implementation of the website improvements in the near future.

**ACTION:** On a motion by Chair Shute, the Board adopted **RESOLUTION NO. 2009-1**, authorizing the Chairperson to enter into an agreement for Professional Services with Reint Reinders & Associates.

**AYES:** Shute, Stripe, Cima, Howard-Jones and Becerra.

**NOES:** None.

**ABSENT:** Canepa.

**VIII. NEXT MEETING:**

The date for the next meeting will be decided. Agenda topics to include:

1. Mindgruve Report

The Board did not select their next meeting date; however, agreed to meet when action items must be considered.

**PUBLIC COMMENT:**

None.

**ADJOURNMENT:**

By proper motion, the Special Meeting of February 17, 2009 was adjourned at 10:21 a.m.

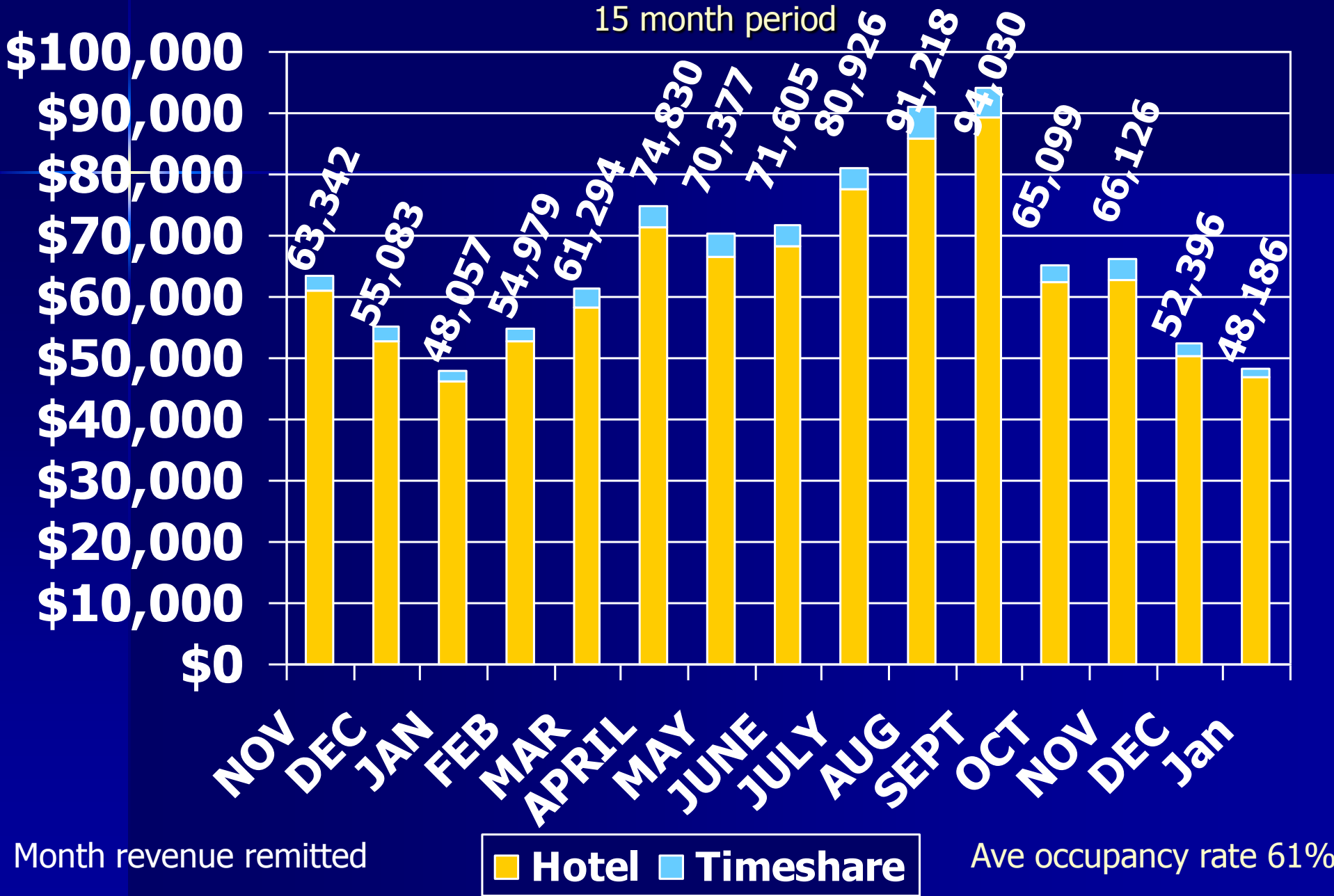
SHEILA R. COBIAN, CMC  
Deputy City Clerk

# Carlsbad Tourism Business Improvement District

## **Financial Update**

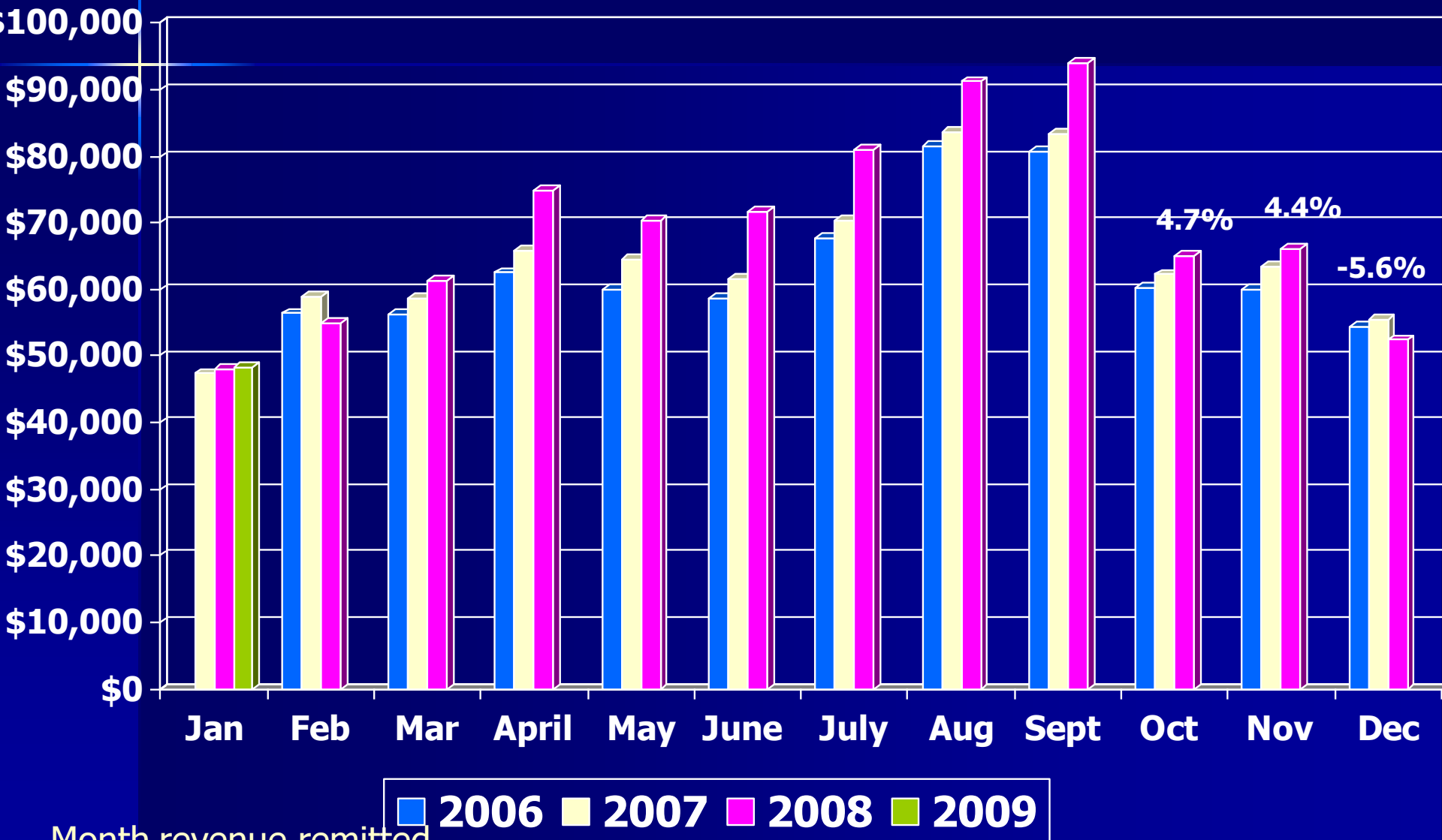
January 30, 2009

# CTBID Assessment Revenue



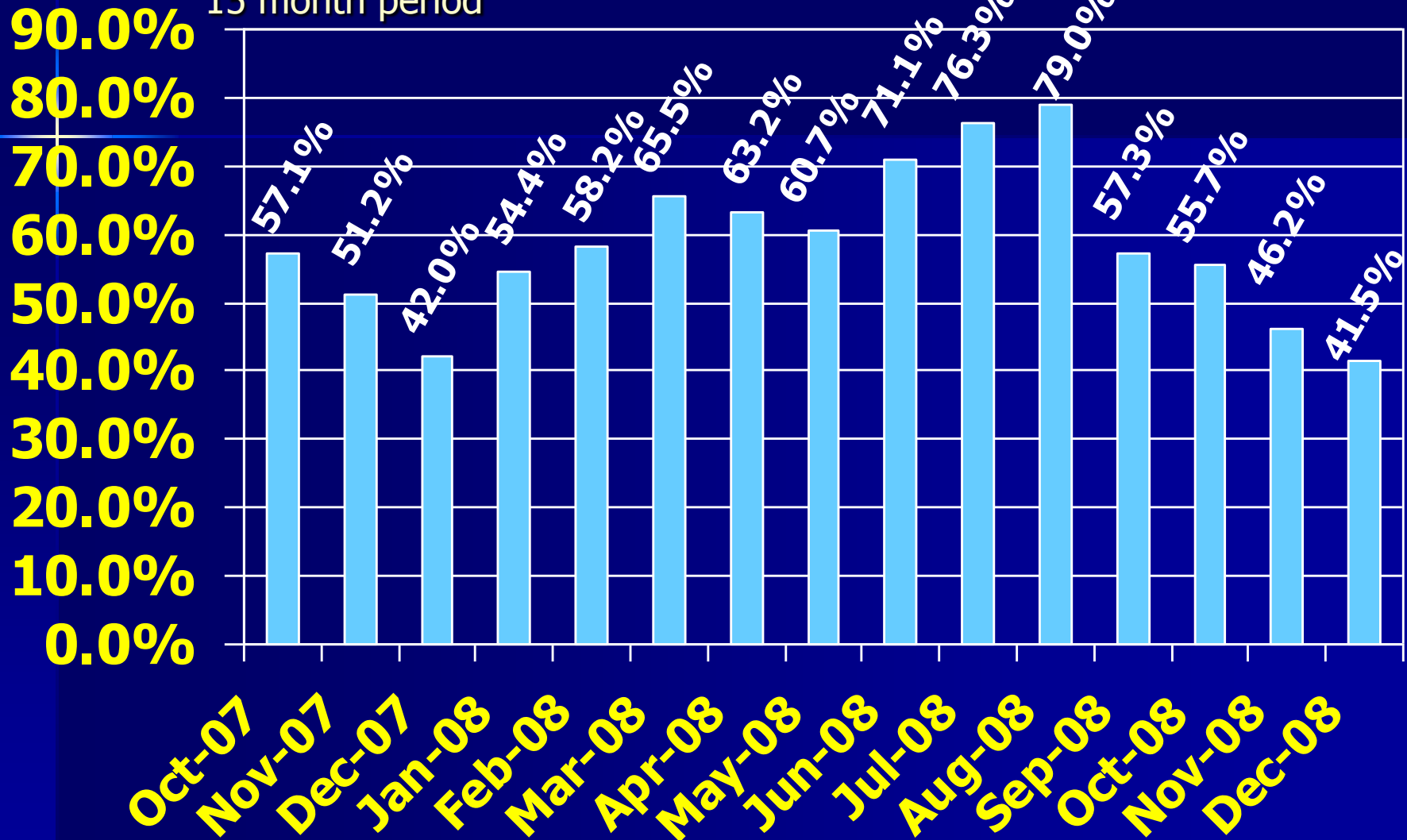
# CTBID Assessment Revenue

36 month period  
(since CTBID Inception)



# Monthly Occupancy rate\*

15 month period



Month of hotel stay

\*Does not include comp rooms

Ave occupancy rate 61%

# TOT Revenue History

16 month period

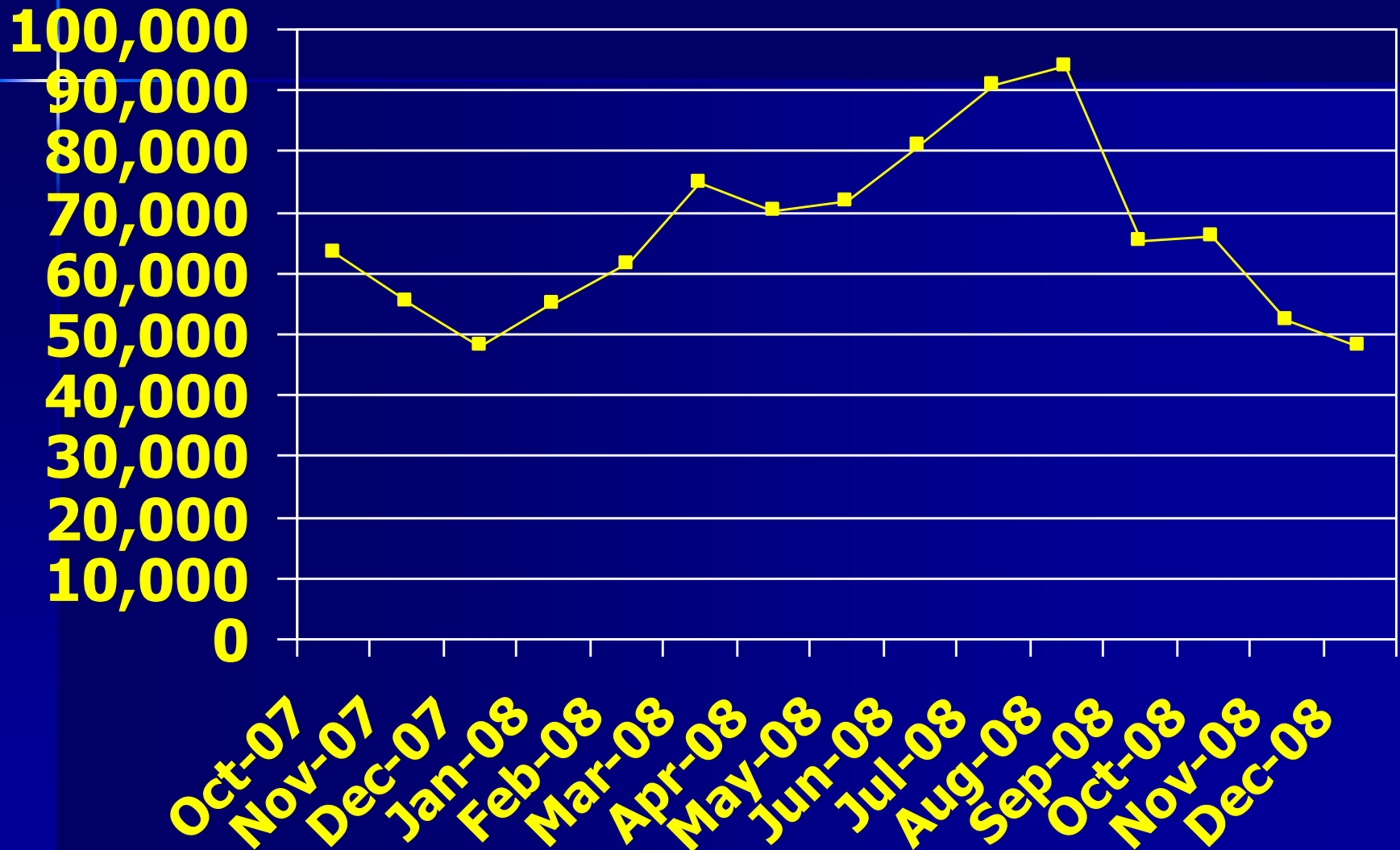


Month of hotel stay

Ave occupancy rate 61%

# CTBID Revenue History

16 month period



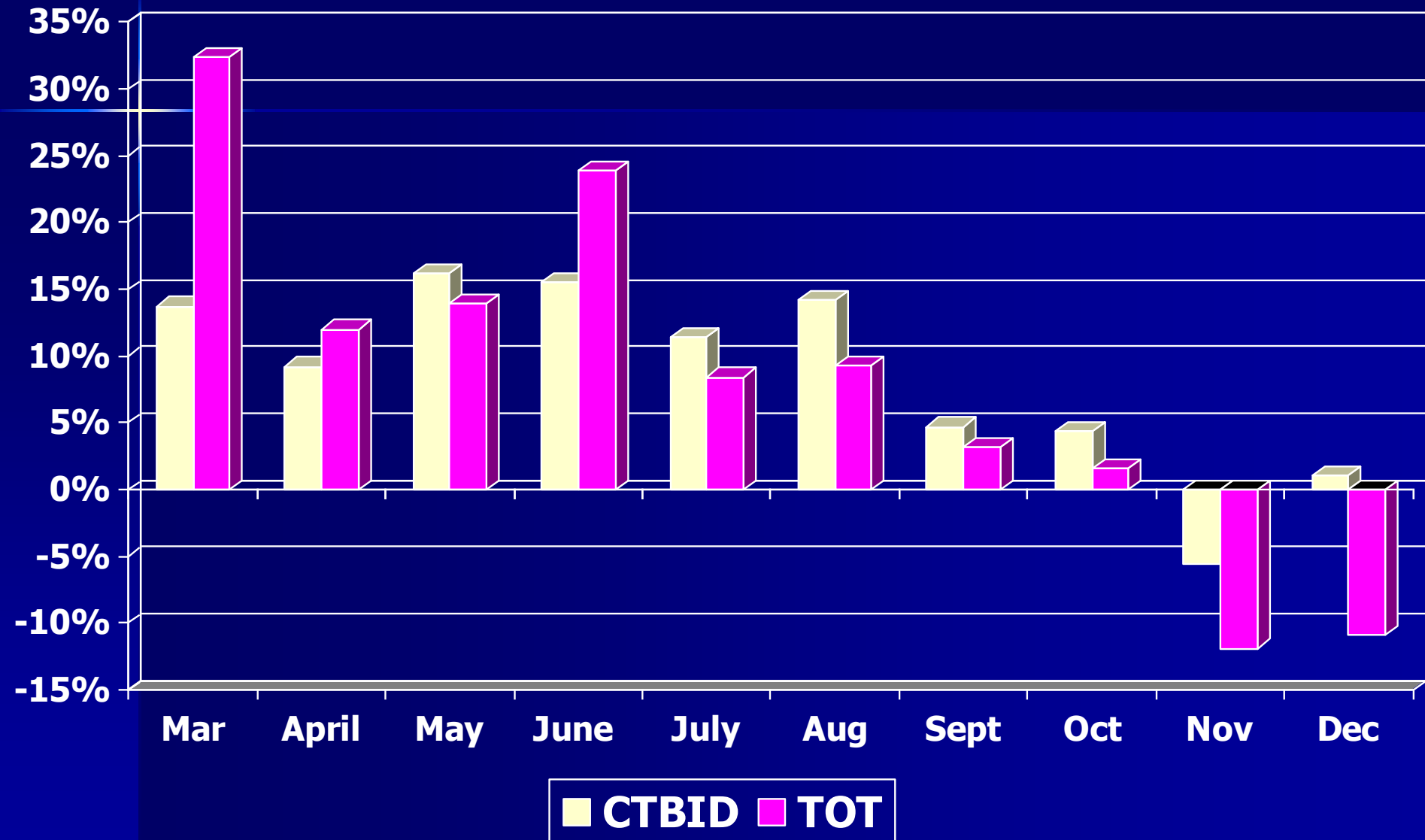
Month of hotel stay

Ave occupancy rate 61%



# % Change over PY comparison

## March – December 2008



Month revenue collected by Hotels

# 2008-09 Budget to Actual

Program Areas	Budget	Actual 30-Jan-08	Difference
<u>Revenues:</u>			
CTBID Assessment	775,000	495,048	-279,952
Interest Earnings	10,000	7,329	-2,671
Total Estimated Revenues	785,000	502,377	-282,623
<u>Expenditures:</u>			
2% Admin Fee - City	16,500	9,747	-6,753
CCVB Contract	448,000	261,800	-186,200
SDNCVB Contract	110,000	64,167	-45,833
Staff support	16,500	12,174	-4,326
CTBID Grants	40,000	16,664*	-23,336
RR&A Contract	80,000	60,000	-20,000
Mindgruve Contract	350,000	0	-350,000
Total Expenses	1,061,000	424,552	-636,448

\* Encumbered

# FYTD 2008 vs 2009

Program Areas	Actual 30-Jan-08	Actual 30-Jan-09	\$ Difference	% Difference
<u>Revenues:</u>				
CTBID Assessment	482,996	495,048	12,053	2.5
Interest Earnings	6,583	7,329	745	11.3
Total Estimated Revenues	489,579	502,377	12,798	2.6
<u>Expenditures:</u>				
2% Admin. Fee - City	9,530	9,747	217	2.3
CCVB Contract	261,800	261,800	0	0
SDNCVB Contract	64,167	64,167	0	0
Staff support	5,577	12,174	6,597	118.3
Positioning Study	58,518	0	-58,518	-100.0
CTBID Grants	0	16,664	16,664	100.0
RR&A Contracts	0	60,000	60,000	100.0
Total Expenses	399,592	424,552	24,960	6.2

# Financial Highlights

- Jan-Dec CTBID rev is up 7.1% over prior year
- Room count has increased 12% over last 12 mo
- Ave Occupancy rate last 12 months =61%
- Current year contingency \$0
- Unbudgeted reserves \$230,000
- Total number of hotel rooms 3,635



# MINDGRUVE

THE NEXT GENERATION AGENCY

An advertising + interactive media firm that develops result-driven solutions for some of the top brands in the U.S.

## Project Update

February 17, 2009

Prepared for: **CTBID**  
Project: **Carlsbad Tourism**



## Today we will provide you with updates on the following portions of the Carlsbad BID project:

- Changes to VisitCarlsbad.com
- Paid Search Campaign
- Landing Pages and Microsite
- Email Marketing
- Research
- Brand Build





VisitCarlsbad.com NOW

Mindgruve has made changes to the current VisitCarlsbad.com website including:

- Conversion Driven Navigation
- Better Use of Key Real Estate
- Internal Linking to Drive Sales

*Additional home page layout changes will be addressed in the coming week.*



VisitCarlsbad.com  
COMING SOON





Mindgruve's audit of VisitCarlsbad.com noted the following issues to address in the short term to improve visitors' ease of use and increase hotel room bookings.

### - "Wasted" Navigation

- Kids N' Teens had only 1 page of content (1)

### - "Wasted" Real Estate

- Latest News has no news (2)
- Podcast/Blog Block has no fresh content (3)
- Large space dedicated to E-Newsletter signup (4)

### - Outbound links

- Legoland advertisement drives traffic away from the site (5)





Mindgruve has launched the first phase of our paid search campaign to book hotel rooms online for Carlsbad hotels.

The campaign has had a successful start and we will continue to grow the reach of the campaign in the coming weeks and months.

Hotels that do not currently work with ARES for online bookings are at a disadvantage because of the online nature of our campaign.

**We urge all Carlsbad hotels to arrange an agreement with ARES so that they may take full advantage of this campaign.**



**VISIT  
CARLSBAD**  
San Diego, California

*San Diego's Family  
Vacation Hot Spot*

*Call us today to book your family vacation!*

**1-888-463-0206**



Visit Carlsbad, home of Legoland, near San Diego, CA. Great Family Vacations, Best Deals!

Located north of San Diego's world famous attractions, Carlsbad is the Southern California's #1 family vacation destination. If you're looking for an affordable family vacation by the beach and close to world-class attractions like Legoland California, SeaWorld and the San Diego Zoo, Carlsbad is the perfect family vacation hot spot.

**Grand Pacific Palisades Resort & Hotel**

**Save 30% off your 4 night stay - Rates from \$71**



A perfect vacation for adults and children, Grand Pacific Palisades Resort & Hotel is located adjacent to LEGOLAND California, a 128 acre family theme park where children can design, create and play with thirty million Lego bricks! Take advantage of a free shuttle from the resort to the park.

[More Deal Info ▾](#)
[View Map >](#)

**\*BOOK NOW**

*\*While Supplies Last*

**Best Rates Guaranteed!**

**La Costa Resort and Spa**

**Save 30% on a 3 night stay - Rates from \$233**



Discover a new level of luxury at the beautiful La Costa Resort and Spa, nestled within 400 acres of coastal foothills and lush gardens, and steeped in Spanish Colonial charm. Indulge in the soothing ambiance of our new Spa. Play in the footsteps of the masters on two classic golf courses...

[More Deal Info ▾](#)
[View Map >](#)

**\*BOOK NOW**

*\*While Supplies Last*

**Best Rates Guaranteed!**

**Quality Inn & Suites of Carlsbad**

**Save 35% off any Stay - Rates from \$71**



Quality Inn & Suites of Carlsbad is located just half a mile from the beach, three miles from Legoland California, 10 minutes from Del Mar Racetrack/Fairgrounds, and 25 minutes from SeaWorld, San Diego Zoo, Wild Animal Park, Old Town and Balboa Park.

[More Deal Info ▾](#)
[View Map >](#)

**\*BOOK NOW**

*\*While Supplies Last*

**Best Rates Guaranteed!**

**More Great Deals Are Just a Click Away!**

Search now for the best rates on a wide variety of accommodations from family suites and quaint seaside inns to luxury resorts. Purchase your tickets early and take advantage of great deals on bundled packages to keep the whole family entertained during your next trip to Southern California.

**BOOK HOTEL**

Check In:

Check Out:

Rooms:  Adults:  Children:

**BUY TICKETS**

**SEARCH NOW**

[More Search Options »](#)

**Best Rates  
Guaranteed!**

Site by Mindgruve

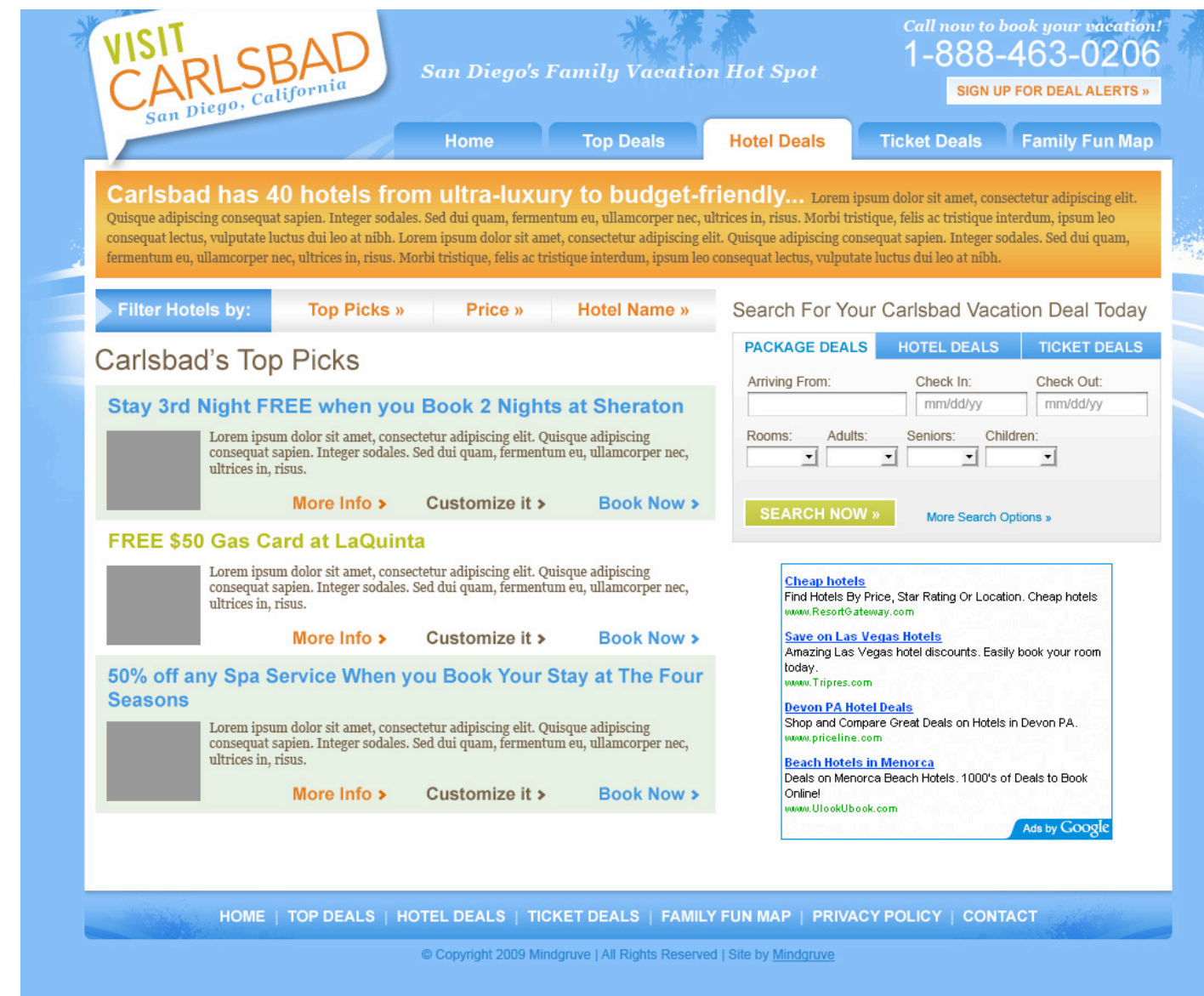
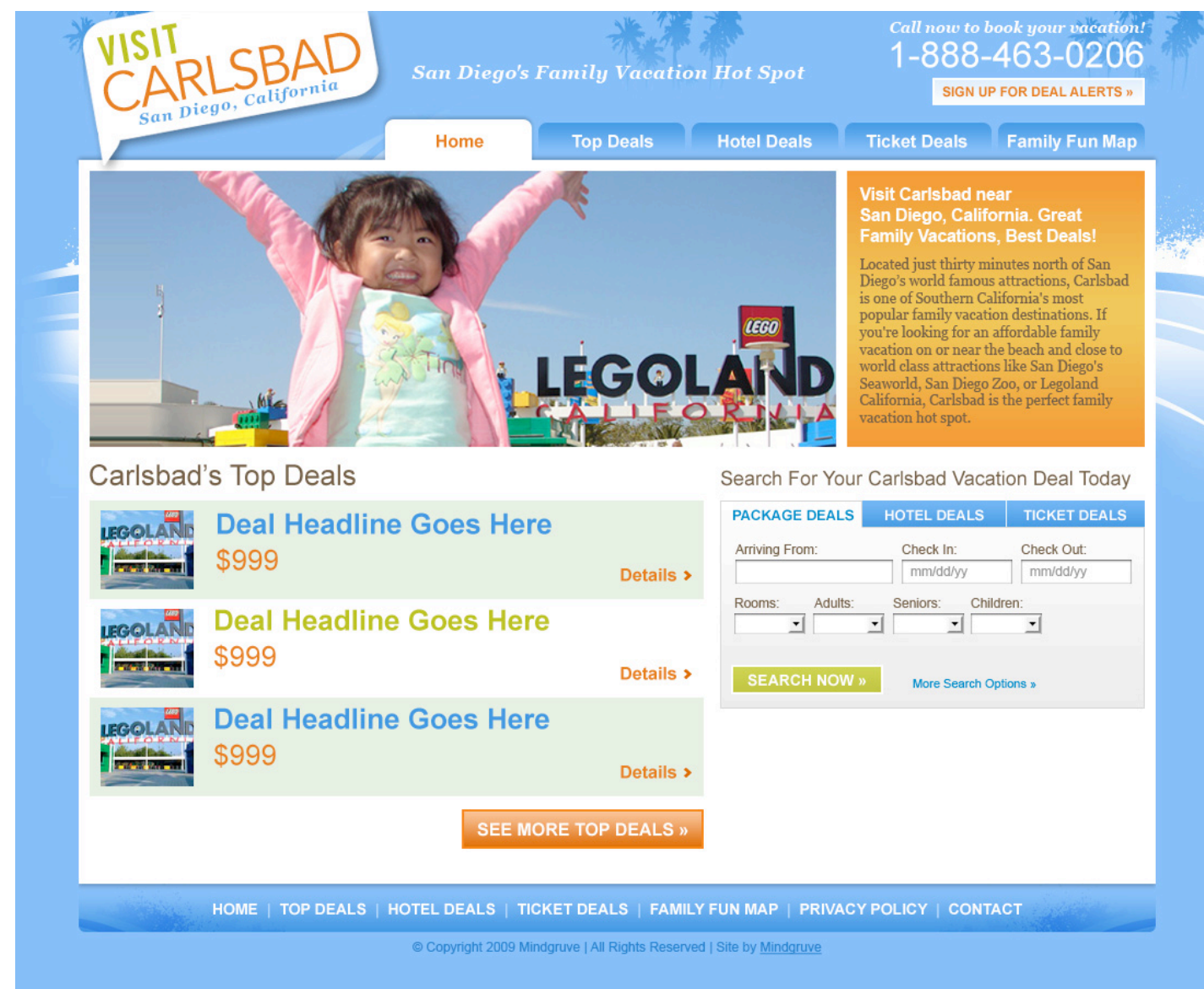
International calls 1-858-300-9808



# City of Carlsbad Project Microsite & Landing Pages

A conversion-driven microsite is under development. The site will feature vacation deals and a user-friendly map of Carlsbad and San Diego County.

The microsite will be used to drive traffic from our email, and online media campaigns.



*Sample pages of the microsite*





Mindgruve will be sending promotional emails to the visitor database on VisitCarlsbad.com. Additionally we request the cooperation of local hotels in the deployment of co-branded newsletters to their visitors. We would like to accommodate the needs of each hotel so we have developed some flexible options.

## Flexible Options

**We Send It** - Share your email list with Mindgruve, we will send co-branded emails to your customers that highlight special packages for your hotel.

**You Send It** - Mindgruve will provide your marketing team with a customized email template for you to deploy to your visitors.

## Sample Email



Call Now to Book Your  
Carlsbad Vacation Today  
**1-888-463-0206**

San Diego's Family Vacation Hot Spot

### Grand Pacific Palisades Vacation Deals

Lorem ipsum dolor sit amet, consectetur adipiscing elit. Sed magna odio, porttitor non, egestas vitae, malesuada vel, leo. Nulla lorem urna, scelerisque et, condimentum pellentesque, lacinia eu, sapien. In hac habitasse platea dictumst. Pellentesque in magna id magna sollicitudin varius Sed. lacinia vulputate nulla. Aenean erat mi, pulvinar in, hendrerit vel, sagittis ut, nisl. Praesent ipsum. Maecenas sapien urna, interdum sit amet, tristique in, ornare ut, est. Pellentesque habitant morbi tristique senectus et netus et malesuada fames ac turpis egestas. Nullam eget nisl. Ut eu felis a velit convallis vulputate. Morbi nec lectus. Proin nec orci a massa iaculis rhoncus. Maecenas scelerisque, eros id facilisis sagittis, velit mi gravida odio, a viverra elit massa eget urna. Suspendisse potenti.



Guaranteed Best Rates on Deals Like These:



**Grand Pacific Palisades - 25% OFF Your 3 Night Stay**

Save 25% when you stay 3 nights in a Standard Room at the Grand Pacific Palisades Resort from January 1 through June 15, 2009. Some restrictions apply. Please check specific dates for availability.

[More Package Info](#) > [Customize It](#) > [Book Now](#) >



**Grand Pacific Palisades - 15% OFF Your 3 Night Condo Rental**

Save 10% when you stay 3 nights in a One or Two Bedroom Condo at the Grand Pacific Palisades Resort from January 1 through June 15, 2009. Some restrictions apply. Please check specific dates for availability.

[More Package Info](#) > [Customize It](#) > [Book Now](#) >

## Visitor Analysis

Mindgruve is partnering with RUF Strategic Solutions, a destination marketing research company, to analyze the existing database of visitors to VisitCarlsbad.com. This insight will allow us to better target the existing as well as the potential visitors to the Carlsbad area.

With some additional hotel cooperation, RUF can perform a similar analysis on visitors to Carlsbad hotels over the past 6 months. This aggregated data will provide Mindgruve, as well as all stakeholders, a global view of the visitors to Carlsbad.

### ***Would your hotel like to participate?***

By taking part in this study, your hotel property will have direct access to RUF analysis results. Your confidential visitor data will be analyzed by RUF professionals and there is no charge to you. Demographic, psychographic, DMA zone and household cluster information will be determined. This information will allow us to better target Carlsbad visitors as well as additional feeder markets.

**Please contact Laura Hartman ([lhartman@mindgruve.com](mailto:lhartman@mindgruve.com), 619.757.1325 x221) if you would like more information or if you would like to participate in this study.**

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## Stakeholder Survey

Carlsbad CVB stakeholders were asked to participate in a short online survey regarding various aspects of the proposed marketing campaign, competitive advantages and disadvantages, key competitors and positioning input. The survey was sent to 45 stakeholders, 19 of which responded. We have reviewed all responses and will take them into consideration throughout the campaign.



Mindgruve is developing a new brand for the City of Carlsbad.

***The first draft of this document will be ready for review on February 4th.***





thank you for your time!





## CARLSBAD TOURISM BUSINESS IMPROVEMENT DISTRICT AGENDA BILL

<b>AB#</b>	<b>05-09-43</b>	<b><i>Approve the Annual Report of the Carlsbad Tourism Business Improvement District</i></b>	<b>DEPT. HEAD</b>
<b>MTG.</b>	<b>5-19-09</b>		<b>GENERAL</b>
<b>DEPT.</b>	<b>Admin Services</b>		<b>COUNSEL</b>

### **RECOMMENDED ACTION:**

Adopt Resolution #2009-3 approving the Annual Report of the Carlsbad Tourism Business Improvement District (CTBID) and submit the report to the City Council for approval at a June 2009 meeting.

### **ITEM EXPLANATION:**

In accordance with Section 36533 of the California Streets and Highways Code, the CTBID Advisory Board is required to present an annual report for City Council's review and approval for each fiscal year for which assessments are to be levied and collected to pay the costs for the improvements and activities described in the report. This report is to contain:

- Any proposed changes to the boundaries of the CTBID.
- The activities to be provided for that fiscal year.
- Estimate of the cost of providing those activities (ie budget)
- The method and basis of levying the assessment.
- The amount of any surplus or deficiency revenues to be carried over from the previous year.
- The amount of any other contributions

Staff has prepared the attached report (included as an attachment to Exhibit 1) which includes the above items.

Staff recommends that the Board approve the attached report for presentation to the City Council.

### **FISCAL IMPACT:**

None.

### **ENVIRONMENTAL IMPACT:**

This action does not approve any projects that will have a physical adverse affect on the environment so it falls within the general rule under CEQA that this is not a project (CEQA Regulation 153789(b)).

### **EXHIBITS:**

1. Resolution #2009-3, Approve Annual Report

DEPARTMENT CONTACT: Cheryl Gerhardt, 760-602-2409, [cgerh@ci.carlsbad.ca.us](mailto:cgerh@ci.carlsbad.ca.us)

**FOR CITY CLERKS USE ONLY.**

**BOARD ACTION:**

APPROVED ☐  
DENIED ☐  
CONTINUED ☐  
WITHDRAWN ☐  
AMENDED ☐

CONTINUED TO DATE SPECIFIC ☐  
CONTINUED TO DATE UNKNOWN ☐  
RETURNED TO STAFF ☐  
OTHER – SEE MINUTES ☐

\_\_\_\_\_



**RESOLUTION NO. 2009-3**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ADVISORY BOARD OF THE CARLSBAD TOURISM BUSINESS IMPROVEMENT DISTRICT (CTBID) OF THE CITY OF CARLSBAD, CALIFORNIA, TO APPROVE THE ANNUAL REPORT

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**WHEREAS**, the CTBID was formed in accordance with the California Government Code Parking and Business Improvement Area Law of 1989 (Sections 36500, et. Seq. of the Streets and Highways Code), and

**WHEREAS**, Section 36533 of the Code requires the CTBID Advisory Board to present an annual report to the City Council's for their review and approval for each fiscal year for which assessments are to be levied and collected to pay the cost for the improvements and activities described in the report; and

**WHEREAS**, an Annual Report has been prepared for the 2009-10 fiscal year, and

**WHEREAS**, the Board of Directors of the Carlsbad Tourism Business Improvement District wishes to approve the Annual Report; and

**WHEREAS**, the Board of Directors of the Carlsbad Tourism Business Improvement District wishes to submit the report to the City Council for approval; and

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Carlsbad Tourism Business Improvement District of the City of Carlsbad, California, as follows:

1. That the above recitations are true and correct.
2. That the Annual Report shown at Exhibit A is approved in its entirety by the Board of Directors of the Carlsbad Tourism Business Improvement District.

1                   3. That the approved Annual Report of the Carlsbad Tourism Business  
2 Improvement District will be presented to the City Council for their approval at a June  
3 2009 meeting.

4                   ///

5                   ///

6                   ///

7                   ///

8                   ///

9  
10                   **PASSED, APPROVED AND ADOPTED** at a regular meeting of the Board  
11 of Directors of the Carlsbad Tourism Business Improvement District of the City of  
12 Carlsbad held on the \_\_\_\_\_ day of \_\_\_\_\_, 2009 by the  
13 following vote, to wit:

14                   AYES:

15                   NOES:

16                   ABSENT:

17  
18  
19 \_\_\_\_\_  
20 APRIL SHUTE, Chair

21  
22 ATTEST:

23  
24  
25 \_\_\_\_\_  
26 LORRAINE WOOD  
27 Pro Tem Clerk of the  
28 Carlsbad Tourism Business Improvement District

///

**Carlsbad Tourism and Business Improvement District (CTBID)  
Annual Report  
2009-2010**

**Method of Assessment:** The CTBID includes all hotel businesses located within the CTBID boundaries. The assessment shall be levied on all hotel businesses, existing and future, within the City of Carlsbad based upon a flat fee of \$1.00 per occupied room per night for all transient occupancies as defined in section 3.12.020(7) of the Carlsbad Municipal Code. The amount of assessment shall be separately stated from the amount of the rent and other taxes charged, and each transient shall receive a receipt for payment from the operator. The assessment will be remitted monthly, based on \$1.00 per occupied room per night in revenues for the previous month.

**Assessment Funding Purpose:** To administer marketing and visitor programs to promote the City of Carlsbad as a tourism visitor destination and to fund projects, programs, and activities, including appropriate administrative charges, that benefit hotels within the boundaries of the District.

**2009-10 Work Plan:** During the 2008-09 fiscal year the CTBID Board contracted with Reint Reinders and Associates (RR&A) to conduct a study on how Carlsbad tourism sales, marketing and visitors services should be conducted going forward. This study began in April 2008. Based on this study, Mindgruve advertising agency was hired to develop and implement a detailed marketing and branding plan. An aggressive Spring and Summer on-line marketing campaign is currently underway. The results of that campaign will determine the course future marketing campaigns.

As part of the work done by RR&A, a new name, new executive director, new bylaws and a new Board of Directors were implemented for the Carlsbad Convention and Visitors Bureau. This organization, now doing business as VisitCarlsbad will be fully operational starting July 1, 2009. The CTBID budget for 2009-10 includes \$722,895 in funding for this organization. The services provided will focus primarily on driving demand in the leisure market segment and secondarily the meetings market. Funding also includes managing the visitor center and publications. The visitcarlsbad website will be redesigned and used as the primary distribution channel for new business opportunities for CTBID properties.

The CTBID 2009-10 budget also includes \$72,000 funding for Reint Reinders in Associates. The services provided by RR&A will include managing the Mindgruve marketing campaign, monitoring the execution of the action plan by VisitCarlsbad and mentoring the new VisitCarlsbad executive director. RR&A will report back to the CTBID board on a regular basis on the performance of both Mindgruve and VisitCarlsbad over the next fiscal year to ensure their recommendations get implemented as planned.

**2009-10 CTBID Budget**

Program Areas	Description	2008-09 Budget	Current 2008-09 Actuals	Projected 2008-09 Actuals	Recommended 2009-10 Budget
Carryover Fund Balance		\$546,800		546,800	155,443
<b><u>Revenues:</u></b>					
CTBID Assessment	\$1 per room night	775,000	654,996	775,000	775,000
Interest Earnings		10,000	9,462	12,107	10,000
Total Estimated Revenues		785,000	664,458	787,107	785,000
<b><u>Expenditures:</u></b>					
2% Admin. Fee - City	2% of CTBID assessment revenue, for collection of CTBID assessment and accounting for CTBID	16,500	10,780	16,500	16,500
CCVB Payment	To operate visitor center, market and promote Carlsbad	448,800	299,200	448,800	722,895 *
SDNCVB Payment	To provide group sales	110,000	73,333	110,000	0
RR&A Contract	Reint Reinders and Associates Consulting	120,000	69,400	120,000	72,000
Staff support	Staff support to the CTBID	16,500	15,442	16,500	16,500
CTBID Grants	Grant program established by CTBID Board	40,000	6,664	16,664	20,000
Mindgruve contract	Spring Marketing Campaign	350,000	187,958	350,000	0
Mindgruve contract	Endless Summer Marketing Campaign	100,000	0	100,000	0
Contingency	To be determined by the CTBID Board at a later date	0	0	0	0
Total Expenses		1,201,800	662,777	1,178,464	847,895
Ending Fund Balance	Contingency for Revenue shortfall	\$130,000		155,443	92,548

\* The Carlsbad Convention and Visitors Bureau is the corporate entity. The Bylaws have been changed during 2009 to an organization that now has seven Board members and the dba "Visit Carlsbad".



## CARLSBAD TOURISM BUSINESS IMPROVEMENT DISTRICT AGENDA BILL

AB#	05-09-44	<i>Approve Agreement between CTBID and the Carlsbad Convention and Visitors Bureau</i>	CTBID STAFF <i>CG</i>
MTG.	5-19-09		GENERAL COUNSEL
DEPT.	Admin Services		

### RECOMMENDED ACTION:

1. Receive report from Reint Reinders and Associates
2. Adopt Resolution No. 2009-4 authorizing the Chairperson to enter into agreement between the Carlsbad Tourism Business Improvement District (CTBID) and the Carlsbad Convention and Visitors Bureau (CCVB) for tourism promotion services for the period July 1, 2009 through June 30, 2010.

### ITEM EXPLANATION:

The CTBID Board has contracted with Reint Reinders & Associates (RR&A) since April 2008 to develop marketing strategies and programs that will strengthen the tourism activities within Carlsbad and to recommend the best strategy for deploying available CTBID funds for marketing the destination of Carlsbad. RR&A presented an overview of their recommended plan for the remainder of the 2008-2009 fiscal year at the October 14th Board meeting and the Board authorized them to procure the assistance of Mindgruve advertising agency in implementing a Spring Marketing initiative. The goal of the plan was to have in place by July 1, 2009 a newly formed Destination Marketing Organization ("DMO") with a new executive as leader and a new 2009-2010 Business Plan and Budget. The new DMO will be the existing Carlsbad Convention and Visitors Bureau 501C-6 corporation with a new look and feel together with new visuals, an enhanced Internet strategy, and many other components of the plan. It will function under the new name VisitCarlsbad.

To get to this final structure, RR&A formed a "transition team" to have the support of a working group to achieve the goals of the CCVB, the CTBID and the Carlsbad tourism community at large. RR&A worked with the transition team to write new Bi-Laws appropriate for the new DMO structure and operation. They also conducted a search for the executive director to head up the new DMO. This candidate has been identified and will be hired by the new DMO Board at their next meeting.

RR&A and the transition team have developed the 2009-10 budget presented at Exhibit 1 along with a 2009-10 contract for services. The CTBID Board should receive the report from RR&A and discuss the proposal. Following the discussion, if the Board would like contract with the new DMO to provide services for 2009-10 as listed in the contract, the CTBID Board should adopt the attached resolution authorizing the Chairperson to enter into the agreement.

### FISCAL IMPACT:

*For the fiscal year 2009-10, projected revenues for the CTBID are estimated at \$785,000. The total payment for this contract is for this twelve-month period is \$722,895.*

### **ENVIRONMENTAL IMPACT:**

This action does not approve any projects that will have a physical adverse affect on the environment so it falls within the general rule under CEQA that this is not a project (CEQA Regulation 153789(b)).

### **EXHIBITS:**

1. Resolution No. 2009-4 authorizing the Chairperson to enter into agreement between the CTBID and the CCVB for tourism promotion services for the period July 1, 2009 through June 30, 2010.

DEPARTMENT CONTACT: Cheryl Gerhardt, 760-602-2409, [cgerh@ci.carlsbad.ca.us](mailto:cgerh@ci.carlsbad.ca.us)

<b>FOR CITY CLERKS USE ONLY.</b>	
<b>BOARD ACTION:</b>	
APPROVED	<input type="checkbox"/>
DENIED	<input type="checkbox"/>
CONTINUED	<input type="checkbox"/>
WITHDRAWN	<input type="checkbox"/>
AMENDED	<input type="checkbox"/>
CONTINUED TO DATE SPECIFIC	<input type="checkbox"/>
CONTINUED TO DATE UNKNOWN	<input type="checkbox"/>
RETURNED TO STAFF	<input type="checkbox"/>
OTHER - SEE MINUTES	<input type="checkbox"/>

**RESOLUTION NO. 2009-4****RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
CARLSBAD TOURISM BUSINESS IMPROVEMENT  
DISTRICT, AUTHORIZING THE CHAIRPERSON TO  
EXECUTE AGREEMENT WITH THE CARLSBAD  
CONVENTION AND VISITORS BUREAU (CCVB)**

**WHEREAS**, The City Council of the City of Carlsbad adopted Ordinance No. NS-778 enacting Chapter 3.37 of the Carlsbad Municipal Code on November 15, 2005 thereby creating the Carlsbad Tourism Business Improvement District (CTBID); and

**WHEREAS**, the primary purpose of the CTBID is to promote tourism and provide services to visitors to the City of Carlsbad; and

**WHEREAS**, the City Council has authorized the Board of Directors of the CTBID to conduct the business of the CTBID in the time, place and manner that best suits the needs of the Board of Directors of the CTBID, subject to the control of federal, state and local laws governing the activities of a Business Improvement District; and

**WHEREAS**, the City Council has provided the Board of Directors with the ability to contract for services necessary to carry out the purpose of the CTBID; and

**WHEREAS**, the Board of Directors of the CTBID has determined that it is in the best interest of the District to promote tourism and provide services to visitors to the City of Carlsbad through the use of agencies that currently exist in the community to provide these services; and

**WHEREAS**, the Board of Directors has determined that the Carlsbad Convention and Visitors Bureau (CCVB) possesses the necessary skills to provide services related to the promotion of tourism; and

**WHEREAS**, the CCVB intends to obtain all necessary documents to do business as VisitCarlsbad; and

**WHEREAS**, the CCVB has revised its Bylaws to reduce the number of directors on its Board to Seven; and

**WHEREAS**, the CCVB has agreed that the initial Board of Directors will not be changed without approval of the CTBID Board during the term of the contract; and

1                   **WHEREAS**, the CCVB has agreed to provide tourism services under the terms and  
2 conditions of the agreement attached hereto for the term July 1, 2009 through June 30, 2010,

3                   **NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Carlsbad  
4 Tourism Business Improvement District, as follows:

- 5                   1. That the above recitations are true and correct.
- 6                   2. That subject to review and approval of the CTBID General Counsel, the Chairperson  
7 is hereby authorized to execute the attached agreement, Exhibit 1, between the  
8 CTBID and the CCVB to provide professional services related to tourism promotion.
- 9                   3. That the CTBID Board understands that the initial seven directors of the CCVB  
10 Board are:

11                                 Randy Nakagawa, Director of Marketing Grand Pacific resorts

12                                 Rob Sapp, Regional Director of Hotel Marketing, Four Seasons Resort

13                                 Robert Moore, General Manager, Hilton Garden Inn, Carlsbad Beach

14                                 Kim Akers, General Manager, West Inn & Suites

15                                 Peter Kock, Director Marketing & Sales, LEGOLAND California

16                                 George Allen, Director of Sales, La Costa Resort & Spa

17                                 Saeed Hosseini, General Manager, Hilton Homewood Suites

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1                   **PASSED, APPROVED, AND ADOPTED** at a regular meeting of the Board of  
2 Directors of the Carlsbad Tourism Business Improvement District on the \_\_\_\_ day of  
3 \_\_\_\_\_ 2009, by the following vote to wit:

4                   AYES:

5                   NOES:

6                   ABSENT:

8  
9                   \_\_\_\_\_  
APRIL SHUTE  
Chairperson

10                  ATTEST:

11  
12                  \_\_\_\_\_  
LORRAINE WOOD  
Pro Tem Clerk of the  
13 Carlsbad Tourism Business Improvement District

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**AGREEMENT FOR PROMOTION OF TOURISM AND VISITOR SERVICES  
CARLSBAD CONVENTION AND VISITORS BUREAU**

THIS AGREEMENT is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the Carlsbad Tourism Business Improvement District (CTBID), and the Carlsbad Convention and Visitors Bureau, ("Contractor").

**RECITALS**

- A. CTBID requires the professional services of a contractor that is experienced in tourism and visitor promotion programs and services.
- B. Contractor has the necessary experience in providing professional services and advice related to the promotion of tourism in Carlsbad.
- C. Selection of Contractor is expected to achieve the desired results in an expedited fashion.
- D. Contractor has submitted a proposal to CTBID and has affirmed its willingness and ability to perform such work.

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, CTBID and Contractor agree as follows:

**1. SCOPE OF WORK**

CTBID retains Contractor to perform, and Contractor agrees to render, those services (the "Services") that are defined in attached Exhibit "A", which is incorporated by this reference in accordance with this Agreement's terms and conditions.

**2. STANDARD OF PERFORMANCE**

While performing the Services, Contractor will exercise the reasonable professional care and skill customarily exercised by reputable members of Contractor's profession practicing in the Metropolitan Southern California Area, and will use reasonable diligence and best judgment while exercising its professional skill and expertise.

**3. TERM**

The term of this Agreement will be effective for a period of one (1) year from the date July 1, 2009 through June 30, 2010.

**4. TIME IS OF THE ESSENCE**

Time is of the essence for each and every provision of this Agreement.

## **5. COMPENSATION**

The total fee payable for the Services to be performed during the initial Agreement term will be Seven Hundred Twenty Two Thousand Eight Hundred Ninety Five dollars (\$722,895). No other compensation for the Services will be allowed except for items covered by subsequent amendments to this Agreement. The CTBID reserves the right to withhold a ten percent (10%) retention until CTBID has accepted the work and/or Services specified in Exhibit "A".

Compensation will be made in twelve (12) monthly installments of Sixty Thousand Two Hundred Forty One dollars (\$60,241) each month for a total of \$722,895 as detailed in the attached Exhibit A to this Agreement. The first installment shall be payable in the first full week of July 2009. Subsequent installments shall be paid in the first full week of each month, through the term of this Agreement.

The CTBID reserves the right to terminate or reduce funding levels outlined in the Agreement in the event of CTBID revenue reductions. Recommended deductions will be reported to the CTBID Board who shall determine the modified funding level.

## **6. STATUS OF CONTRACTOR**

Contractor will perform the Services in Contractor's own way as an independent contractor and in pursuit of Contractor's independent calling, and not as an employee of CTBID. Contractor will be under control of CTBID only as to the result to be accomplished, but will consult with CTBID as necessary. The persons used by Contractor to provide services under this Agreement will not be considered employees of CTBID for any purposes.

The payment made to Contractor pursuant to the Agreement will be the full and complete compensation to which Contractor is entitled. CTBID will not make any federal or state tax withholdings on behalf of Contractor or its agents, employees or subcontractors. CTBID will not be required to pay any workers' compensation insurance or unemployment contributions on behalf of Contractor or its employees or subcontractors. Contractor agrees to indemnify CTBID within thirty (30) days for any tax, retirement contribution, social security, overtime payment, unemployment payment or workers' compensation payment which CTBID may be required to make on behalf of Contractor or any agent, employee, or subcontractor of Contractor for work done under this Agreement. At the CTBID's election, CTBID may deduct the indemnification amount from any balance owing to Contractor.

## **7. SUBCONTRACTING**

Contractor will not subcontract any portion of the Services without prior written approval of CTBID. If Contractor subcontracts any of the Services, Contractor will be fully responsible to CTBID for the acts and omissions of Contractor's subcontractor and of the persons either directly or indirectly employed by the subcontractor, as Contractor is for the acts and omissions of persons directly employed by Contractor. Nothing contained in this Agreement will create any contractual relationship between any

subcontractor of Contractor and CTBID. Contractor will be responsible for payment of subcontractors. Contractor will bind every subcontractor and every subcontractor of a subcontractor by the terms of this Agreement applicable to Contractor's work unless specifically noted to the contrary in the subcontract and approved in writing by CTBID.

#### **8. OTHER CONTRACTORS**

The CTBID reserves the right to employ other Contractors in connection with the Services.

#### **9. INDEMNIFICATION**

Contractor agrees to indemnify and hold harmless the CTBID and its officers, officials, employees and volunteers from and against all claims, damages, losses and expenses including attorneys fees arising out of the performance of the work described herein caused by any negligence, recklessness, or willful misconduct of the Contractor, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable.

The parties expressly agree that any payment, attorney's fee, costs or expense CTBID incurs or makes to or on behalf of an injured employee under the CTBID's self-administered workers' compensation is included as a loss, expense or cost for the purposes of this section, and that this section will survive the expiration or early termination of this Agreement.

#### **10. INSURANCE**

Contractor will obtain and maintain for the duration of the Agreement and any and all amendments, insurance against claims for injuries to persons or damage to property which may arise out of or in connection with performance of the services by Contractor or Contractor's agents, representatives, employees or subcontractors. The insurance will be obtained from an insurance carrier admitted and authorized to do business in the State of California. The insurance carrier is required to have a current Best's Key Rating of not less than "A:VII". OR with a surplus line insurer on the State of California's List of Eligible Surplus Line Insurers (LESLI) with a rating in the latest Best's Key Rating Guide of at least "A:X".

##### **10.1 Coverages and Limits.**

Contractor will maintain the types of coverages and minimum limits indicated below, unless CTBID Attorney or CTBID Manager approves a lower amount. These minimum amounts of coverage will not constitute any limitations or cap on Contractor's indemnification obligations under this Agreement. CTBID, its officers, agents and employees make no representation that the limits of the insurance specified to be carried by Contractor pursuant to this Agreement are adequate to protect Contractor. If Contractor believes that any required insurance coverage is inadequate, Contractor will obtain such additional insurance coverage, as Contractor deems adequate, at Contractor's sole expense.

10.1.1 Commercial General Liability Insurance. \$1,000,000 combined single-limit per occurrence for bodily injury, personal injury and property damage. If the submitted policies contain aggregate limits, general aggregate limits will apply separately to the work under this Agreement or the general aggregate will be twice the required per occurrence limit.

10.1.2 Automobile Liability (if the use of an automobile is involved for Contractor's work for CTBID). \$1,000,000 combined single-limit per accident for bodily injury and property damage.

10.1.3 Workers' Compensation and Employer's Liability. Workers' Compensation limits as required by the California Labor Code. Workers' Compensation will not be required if Contractor has no employees and provides, to CTBID's satisfaction, a declaration stating this.

10.1.4 Professional Liability. Errors and omissions liability appropriate to Contractor's profession with limits of not less than \$1,000,000 per claim. Coverage must be maintained for a period of five years following the date of completion of the work.

10.2. Additional Provisions. Contractor will ensure that the policies of insurance required under this Agreement contain, or are endorsed to contain, the following provisions:

10.2.1 The CTBID will be named as an additional insured on General Liability.

10.2.2 Contractor will obtain occurrence coverage, excluding Professional Liability, which will be written as claims-made coverage.

10.2.3 This insurance will be in force during the life of the Agreement and any extensions of it and will not be canceled without thirty (30) days prior written notice to CTBID sent by certified mail pursuant to the Notice provisions of this Agreement.

10.3 Providing Certificates of Insurance and Endorsements. Prior to CTBID's execution of this Agreement, Contractor will furnish certificates of insurance and endorsements to CTBID.

10.4 Failure to Maintain Coverage. If Contractor fails to maintain any of these insurance coverages, then CTBID will have the option to declare Contractor in breach, or may purchase replacement insurance or pay the premiums that are due on existing policies in order to maintain the required coverages. Contractor is responsible for any payments made by CTBID to obtain or maintain insurance and CTBID may collect these payments from Contractor or deduct the amount paid from any sums due Contractor under this Agreement.

10.5 Submission of Insurance Policies. CTBID reserves the right to require, at anytime, complete and certified copies of any or all required insurance policies and endorsements.

**11. BUSINESS LICENSE**

Contractor will obtain and maintain a City of Carlsbad Business License for the term of the Agreement, as may be amended from time-to-time.

**12. ACCOUNTING RECORDS**

Contractor will maintain complete and accurate records with respect to costs incurred under this Agreement. All records will be clearly identifiable. Contractor will allow a representative of CTBID during normal business hours to examine, audit, and make transcripts or copies of records and any other documents created pursuant to this Agreement. Contractor will allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

**13. OWNERSHIP OF DOCUMENTS**

All work product produced by Contractor or its agents, employees, and subcontractors pursuant to this Agreement is the property of CTBID. In the event this Agreement is terminated, all work product produced by Contractor or its agents, employees and subcontractors pursuant to this Agreement will be delivered at once to CTBID. Contractor will have the right to make one (1) copy of the work product for Contractor's records.

**14. COPYRIGHTS**

Contractor agrees that all copyrights that arise from the services will be vested in CTBID and Contractor relinquishes all claims to the copyrights in favor of CTBID.

**15. NOTICES**

The name of the persons who are authorized to give written notices or to receive written notice on behalf of CTBID and on behalf of Contractor under this Agreement.

For CTBID:

Phone No. 760-62-2409

Cheryl Gerhardt

CTBID Staff

Administrative Services

City of Carlsbad

1635 Faraday Ave.

Carlsbad, CA 92008

For Contractor:

Address \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

Phone No. \_\_\_\_\_

Each party will notify the other immediately of any changes of address that would require any notice or delivery to be directed to another address.

**16. CONFLICT OF INTEREST**

CTBID will evaluate Contractor's duties pursuant to this Agreement to determine whether disclosure under the Political Reform Act and CTBID's Conflict of Interest Code is required of Contractor or any of Contractor's employees, agents, or subcontractors. Should it be determined that disclosure is required, Contractor or Contractor's affected employees, agents, or subcontractors will complete and file with the CTBID Clerk those schedules specified by CTBID and contained in the Statement of Economic Interests Form 700.

Contractor, for Contractor and on behalf of Contractor's agents, employees, subcontractors and consultants warrants that by execution of this Agreement, that they have no interest, present or contemplated, in the projects affected by this Agreement. Contractor further warrants that neither Contractor, nor Contractor's agents, employees, subcontractors and consultants have any ancillary real property, business interests or income that will be affected by this Agreement or, alternatively, that Contractor will file with the CTBID an affidavit disclosing this interest.

**17. GENERAL COMPLIANCE WITH LAWS**

Contractor will keep fully informed of federal, state and local laws and ordinances and regulations which in any manner affect those employed by Contractor, or in any way affect the performance of the Services by Contractor. Contractor will at all times observe and comply with these laws, ordinances, and regulations and will be responsible for the compliance of Contractor's services with all applicable laws, ordinances and regulations.

Contractor will be aware of the requirements of the Immigration Reform and Control Act of 1986 and will comply with those requirements, including, but not limited to, verifying the eligibility for employment of all agents, employees, subcontractors and consultants that the services required by this Agreement.

**18. DISCRIMINATION AND HARASSMENT PROHIBITED**

Contractor will comply with all applicable local, state and federal laws and regulations prohibiting discrimination and harassment.

**19. DISPUTE RESOLUTION**

If a dispute should arise regarding the performance of the Services the following procedure will be used to resolve any questions of fact or interpretation not otherwise settled by agreement between the parties. Representatives of Contractor or CTBID will

reduce such questions, and their respective views, to writing. A copy of such documented dispute will be forwarded to both parties involved along with recommended methods of resolution, which would be of benefit to both parties. The representative receiving the letter will reply to the letter along with a recommended method of resolution within ten (10) business days. If the resolution thus obtained is unsatisfactory to the aggrieved party, a letter outlining the disputes will be forwarded to the CTBID Manager. The CTBID Manager will consider the facts and solutions recommended by each party and may then opt to direct a solution to the problem. In such cases, the action of the CTBID Manager will be binding upon the parties involved, although nothing in this procedure will prohibit the parties from seeking remedies available to them at law.

## **20. TERMINATION**

In the event of the Contractor's failure to prosecute, deliver, or perform the Services, CTBID may terminate this Agreement for nonperformance by notifying Contractor by certified mail of the termination. If CTBID decides to abandon or indefinitely postpone the work or services contemplated by this Agreement, CTBID may terminate this Agreement upon written notice to Contractor. Upon notification of termination, Contractor has five (5) business days to deliver any documents owned by CTBID and all work in progress to CTBID address contained in this Agreement. CTBID will make a determination of fact based upon the work product delivered to CTBID and of the percentage of work that Contractor has performed which is usable and of worth to CTBID in having the Agreement completed. Based upon that finding CTBID will determine the final payment of the Agreement.

Either party upon tendering thirty (30) days written notice to the other party may terminate this Agreement. In this event and upon request of CTBID, Contractor will assemble the work product and put it in order for proper filing and closing and deliver it to CTBID. Contractor will be paid for work performed to the termination date; however, the total will not exceed the lump sum fee payable under this Agreement. CTBID will make the final determination as to the portions of tasks completed and the compensation to be made.

## **21. COVENANTS AGAINST CONTINGENT FEES**

Contractor warrants that Contractor has not employed or retained any company or person, other than a bona fide employee working for Contractor, to solicit or secure this Agreement, and that Contractor has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift, or any other consideration contingent upon, or resulting from, the award or making of this Agreement. For breach or violation of this warranty, CTBID will have the right to annul this Agreement without liability, or, in its discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of the fee, commission, percentage, brokerage fees, gift, or contingent fee.

## **22. CLAIMS AND LAWSUITS**

By signing this Agreement, Contractor agrees that any Agreement claim submitted to



CTBID must be asserted as part of the Agreement process as set forth in this Agreement and not in anticipation of litigation or in conjunction with litigation. Contractor acknowledges that if a false claim is submitted to CTBID, it may be considered fraud and Contractor may be subject to criminal prosecution. Contractor acknowledges that California Government Code sections 12650 et seq., the False Claims Act applies to this Agreement and, provides for civil penalties where a person knowingly submits a false claim to a public entity. These provisions include false claims made with deliberate ignorance of the false information or in reckless disregard of the truth or falsity of information. If CTBID seeks to recover penalties pursuant to the False Claims Act, it is entitled to recover its litigation costs, including attorney's fees. Contractor acknowledges that the filing of a false claim may subject Contractor to an administrative debarment proceeding as the result of which Contractor may be prevented to act as a Contractor on any public work or improvement for a period of up to five (5) years. Contractor acknowledges debarment by another jurisdiction is grounds for CTBID to terminate this Agreement.

**23. JURISDICTIONS AND VENUE**

Any action at law or in equity brought by either of the parties for the purpose of enforcing a right or rights provided for by this Agreement will be tried in a court of competent jurisdiction in the County of San Diego, State of California, and the parties waive all provisions of law providing for a change of venue in these proceedings to any other county.

**24. SUCCESSORS AND ASSIGNS**

It is mutually understood and agreed that this Agreement will be binding upon CTBID and Contractor and their respective successors. Neither this Agreement or any part of it nor any monies due or to become due under it may be assigned by Contractor without the prior consent of CTBID, which shall not be unreasonably withheld.

**25. ENTIRE AGREEMENT**

This Agreement, together with any other written document referred to or contemplated by it, along with the purchase order for this Agreement and its provisions, embody the entire Agreement and understanding between the parties relating to the subject matter of it. In case of conflict, the terms of the Agreement supersede the purchase order. Neither this Agreement nor any of its provisions may be amended, modified, waived or discharged except in a writing signed by both parties.

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**26. AUTHORITY**

The individuals executing this Agreement and the instruments referenced in it on behalf of Contractor each represent and warrant that they have the legal power, right and actual authority to bind Contractor to the terms and conditions of this Agreement.

**CONTRACTOR**

CTBID OF CARLSBAD, a municipal corporation of the State of California

\*By: \_\_\_\_\_  
(sign here)

By: \_\_\_\_\_  
April Shute CTBID Board Chair

\_\_\_\_\_  
(print name/title)

ATTEST:

\_\_\_\_\_  
(e-mail address)

\*\*By: \_\_\_\_\_  
(sign here)

\_\_\_\_\_  
LORRAINE M. WOOD  
CTBID Clerk

\_\_\_\_\_  
(print name/title)

\_\_\_\_\_  
(e-mail address)

If required by CTBID, proper notarial acknowledgment of execution by contractor must be attached. If a Corporation, Agreement must be signed by one corporate officer from each of the following two groups.

**\*Group A.**  
Chairman,  
President, or  
Vice-President

**\*\*Group B.**  
Secretary,  
Assistant Secretary,  
CFO or Assistant Treasurer

**Otherwise**, the corporation must attach a resolution certified by the secretary or assistant secretary under corporate seal empowering the officer(s) signing to bind the corporation.

APPROVED AS TO FORM:

RONALD R. BALL, CTBID Attorney

By: \_\_\_\_\_  
Deputy CTBID Attorney

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**Scope of Services**

1. VisitCarlsbad <sup>1</sup> Board will be appointed by the CTBID Board and provide a quarterly and year-end report on the program of work deliverables which shall include an accounting of funds spent by program in a format approved by the CTBID Board. Allocation of the unspent funds shall be determined by the CTBID Board.
2. Develop a program of work that is primarily focused on driving demand in the leisure market segment and secondarily, the meetings market. The VisitCarlsbad Board will approve the program of work and corresponding budget allocations.
3. Update current market intelligence on the Carlsbad visitor profile. Research findings will be shared and communicated to the tourism community and incorporated in the development of future marketing strategies.
4. Primarily focus on visitcarlsbad .com as the primary distribution channel for new business opportunities for CTBID properties and Carlsbad community suppliers.
  - a. Design and launch a new website consistent with Carlsbad new brand elements.
  - b. Partner with local tourism suppliers to develop new products or packages consistent with the current market demand for special offers.
  - c. Develop visitor-relevant content.

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<sup>1</sup> VisitCarlsbad is the dba to be used by the Carlsbad Convention and Visitors Bureau effective June 2009.

## **EXHIBIT A**

- d. Launch the Carlsbad Tourism Community (CTC-net), a secured back-end that enables local tourism suppliers to upload information on their respective businesses for free.
- 5. Deliver an interactive marketing campaigns focused on driving traffic to visitcarlsbad.com and hotel reservations. Promotional campaigns will include but not limited to pay-per-click advertising, microsite campaigns, and email marketing.
- 6. Contract for meetings market hotel leads and bookings with San Diego North Convention and Visitors Bureau (SDNCVB).
- 7. Promote Carlsbad hotels in a nationwide, online DMO network with access to solicit non-commissionable leads to over 20,000 meeting professionals with quarterly email marketing campaigns. Each email campaign will focus on specific need periods of Carlsbad hotels.
- 8. Pitch editorial to travel writers and write relevant content for the website, including:
  - a. Manage and distribute "What's New" to key travel publications
  - b. Pitch Carlsbad's unique experiences to travel writers
  - c. Work collaboratively with San Diego Convention and Visitors Bureau (ConVis) and SDNCVB in hosting travel writers to the destination,
- 9. Manage the visitor center, visitor publications and collateral, including:
  - a. Service visitor walk-ins with visitor information.
  - b. Solicit opt-ins for future email marketing communications
  - c. Refer visitors to local tourism suppliers

**EXHIBIT A**

- d. Managing visitor publications distribution and other collateral.
- 10. Develop partnerships and coop opportunities with Carlsbad TBID hotels, local tourism suppliers, and regional DMOs, such as ConVis and San Diego North.
  - a. Align public relationship efforts with ConVis and SDNCVB.
  - b. Develop coop advertising with Carlsbad hotels and local suppliers in advertizing coops (i.e., California Travel and Tourism Commission, ConVis and SDNCVB publications).


**Visit Carlsbad DMO**  
**Preliminary FY10 Budget**

	<u><b>FY10 Budget</b></u>
<b>INCOME</b>	
Public Sources	
CTBID Revenues	722,895
City of Carlsbad	
Total Public Sources	<u>722,895</u>
 TOTAL INCOME	 <u><u>722,895</u></u>
 <b>EXPENSE</b>	
Labor	
Salaries	185,000
Payroll Taxes	14,900
Benefits	<u>18,400</u>
Total Labor	218,300
 Promotional Programs	
Advertising & Production	60,000
Research	5,000
Outside Services-Interactive Marketing	300,000
Outside Services-Group Direct Sales	60,000
Travel & Entertainment	14,700
Dues & Subscription	7,500
Collateral Production & Fulfillment	32,000
Events	
Total Promotional Programs	<u>479,200</u>
 General Administration	
Bank Charges	
Equipment Rental & Maintenance	7,000
Facility Repair & Maintenance	
Insurance	2,395
Office Supplies	700
Postage	700
Taxes	
Telephone	3,150
Utilities	3,750
Professional Services (legal, audit)	5,700
Miscellaneous	<u>2,000</u>
Total G&A	25,395
 TOTAL EXPENSE	 <u><u>722,895</u></u>
 OVER/(UNDER)	 0

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## CARLSBAD TOURISM BUSINESS IMPROVEMENT DISTRICT AGENDA BILL

AB#	05-09-45	<i>Approve Contract with Reint Reinders &amp; Associates</i>	CTBID STAFF 
MTG.	5-19-09		GENERAL
DEPT.	Admin Services		COUNSEL

### RECOMMENDED ACTION:

1. Adopt Resolution 2009-5 extending contract with Reint Reinders & Associates an additional twelve months for a total cost of \$72,000.

### ITEM EXPLANATION:

The CTBID Board contracted with Reint Reinders & Associates (RR&A) to develop marketing strategies and programs that will strengthen the tourism activities within Carlsbad. RR&A's initial recommendations (Phase I) were presented to the CTBID Board at the August 26<sup>th</sup> meeting. The Board extended RR&A's contract through November 30, 2008 and requested that they return to the Board with recommendations on the best strategy for deploying available CTBID funds for marketing the destination of Carlsbad (Phase II). RR&A presented an overview of their recommended strategy for the remainder of the 2008-2009 fiscal year at the October 14<sup>th</sup> Board meeting and the Board authorized them to procure the assistance of Mindgruve advertising agency in preparing a detailed marketing and branding plan. At the November 24<sup>th</sup> meeting the Board extended RR&A agreement for the three months ending February 28, 2009. At the February 17, 2009 meeting the Board extended the RR&A agreement an additional 4 months ending June 30, 2009 at which time the newly formed DMO would be in place. RR&A has submitted a proposal, shown at Exhibit 1, for a twelve month contract extension ending June 30, 2010. The proposed services would include monitoring the execution of the action plan by the new executive of the Carlsbad Convention and Visitors Bureau (dba VisitCarlsbad) director and reporting back to the CTBID Board.

The CTBID Board should review the proposal from RR&A and discuss the proposal. Following the discussion, if the Board would like to retain RR&A's services they will need to adopt the attached resolution extending the contract an additional 12 months at a cost of \$6,000 per month. This will extend their contract until June 30, 2010 (the end of the next fiscal year).

### FISCAL IMPACT:

The CTBID's 2009-10 proposed Budget includes \$72,000 to fund this contract

### ENVIRONMENTAL IMPACT:

This action does not approve any projects that will have a physical adverse affect on the environment so it falls within the general rule under CEQA that this is not a project (CEQA Regulation 153789(b)).

**EXHIBITS:**

1. Resolution 2009-5 extending contract with RR&A .

DEPARTMENT CONTACT: Cheryl Gerhardt, 760-602-2409, [cgerh@ci.carlsbad.ca.us](mailto:cgerh@ci.carlsbad.ca.us)

<b>FOR CITY CLERKS USE ONLY.</b>					
<b>BOARD ACTION:</b>	<b>APPROVED</b>	<input type="checkbox"/>	<b>CONTINUED TO DATE SPECIFIC</b>	<input type="checkbox"/>	_____
	<b>DENIED</b>	<input type="checkbox"/>	<b>CONTINUED TO DATE UNKNOWN</b>	<input type="checkbox"/>	
	<b>CONTINUED</b>	<input type="checkbox"/>	<b>RETURNED TO STAFF</b>	<input type="checkbox"/>	
	<b>WITHDRAWN</b>	<input type="checkbox"/>	<b>OTHER – SEE MINUTES</b>	<input type="checkbox"/>	
	<b>AMENDED</b>	<input type="checkbox"/>			



**RESOLUTION NO. 2009-5****RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
CARLSBAD TOURISM BUSINESS IMPROVEMENT  
DISTRICT, AUTHORIZING THE CHAIRPERSON TO ENTER  
INTO AN AGREEMENT FOR PROFESSIONAL SERVICES  
WITH REINT REINDERS & ASSOCIATES**

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**WHEREAS**, the City Council of the City of Carlsbad adopted Ordinance No. NS-778 enacting Chapter 3.37 of the Carlsbad Municipal Code on November 15, 2005 thereby creating the Carlsbad Tourism Business Improvement District (CTBID); and

**WHEREAS**, the primary purpose of the CTBID is to promote tourism and provide services to visitors to the City of Carlsbad; and

**WHEREAS**, the City Council has authorized the Board of Directors of the CTBID to conduct the business of the CTBID in the time, place and manner that best suits the needs of the Board of Directors of the CTBID, subject to the control of federal, state and local laws governing the activities of a Business Improvement District; and

**WHEREAS**, the City Council has provided the Board of Directors with the ability to contract for services necessary to carry out the purpose of the CTBID; and

**WHEREAS**, Mr. Reint Reinders, by virtue of his extensive experience in the hospitality industry, marketing background, deep understanding of the tourism industry, and long tenure with several successful hotel operations, is uniquely qualified to provide marketing and other consulting services to the CTBID; and

**WHEREAS**, the CTBID contracted with Reint Reinders and Associates (RR&A) for Phase I and Phase II of a marketing study; and

**WHEREAS**, Reint Reinders & Associates completed phase I and phase II of the study and has presented his recommendations to the CTBID Board; and

**WHEREAS**, the Board would like to hire RR&A to implement those recommendations for an additional twelve months at a cost of \$6,000 per month for a total cost of \$72,000;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Carlsbad Tourism Business Improvement District, as follows:

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1. That the above recitations are true and correct.
2. That the CTBID Chairperson is hereby authorized to sign the attached agreement between the CTBID and Reint Reinders & Associates.
3. That \$72,000 shall be appropriated in the 2009-10 CTBID budget to fund the contract extension.

**PASSED, APPROVED, AND ADOPTED** at a regular meeting of the Board of Directors of the Carlsbad Tourism Business Improvement District on the \_\_\_\_ day of \_\_\_\_\_ 2009, by the following vote to wit:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
APRIL SHUTE  
Chairperson

ATTEST:

\_\_\_\_\_  
LORRAINE WOOD  
Pro Tem Clerk of the  
Carlsbad Tourism Business Improvement District

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**AMENDMENT NO. 4 TO EXTEND AND AMEND AGREEMENT BETWEEN  
CARLSBAD TOURISM BUSINESS IMPROVEMENT DISTRICT AND REINT  
REINDERS & ASSOCIATES FOR MARKETING AND CONSULTING SERVICES**

This Amendment No. 4 is entered into and effective as of July 1, 2010 extending and amending the original agreement dated April 14, 2008 (the "Agreement") by and between the Carlsbad Tourism Business Improvement District ("CTBID"), and Reint Reinders & Associates (RR&A), ("Contractor") (collectively, the "Parties") for marketing study and consulting services.

**RECITALS**

A. On September 1, 2008 the Parties executed Amendment No. 1 to the Agreement for Phase II of the marketing study; and

B. On December 1, 2008 the Parties executed Amendment No. 2 to the Agreement for Phase II of the marketing study; and

C. On March 1, 2009 the Parties executed Amendment No. 3 to the Agreement for Phase II of the marketing study; and

C. The Parties desire to extend the Agreement for a period of twelve months; and

D. The CTBID has reviewed the proposal submitted and finds the services provided by RR&A to be a benefit to CTBID and desires to amend the current Agreement's scope of work to include the monitoring of the execution of their recommendations as proposed in the attached Exhibit "A"; and

E. The RR & A, it's principal Reint Reinders and it's associate Christine Shimasaki, by virtue of their extensive experience in the hospitality industry, DMO industry, tourism marketing backgrounds and long tenure with several successful hotel operations and DMOs are uniquely qualified to provide marketing and other consulting services to the CTBID for the 2009-2010 budget year.

F. The Parties have negotiated and agreed to the scope of work and fee schedule, which will commence on July 1, 2009 for twelve (12) months ending on June 30, 2010. The fee will be a maximum of \$6,000 per month for twelve (12) months, not to exceed a total of \$72,000.

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, City and Contractor agree as follows:

1. In addition to those services contained in the Agreement, as may have been amended from time to time, Contractor will provide those services described in Exhibit "2".

2. City will pay Contractor for all work associated with those services described in Exhibit "A" on a hourly basis at two hundred dollars per hour (\$200) not-to-exceed six thousand dollars (\$6,000) per month for twelve months, not to exceed a total of seventy two thousand dollars (\$72,000). Contractor will provide City, on a monthly basis, copies of invoices sufficiently detailed to include hours performed, hourly rates, and related activities and costs for approval by City.

3. Contractor will complete all work described in Exhibit "A" by June 30, 2010.

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4. All other provisions of the Agreement, as may have been amended from time to time, will remain in full force and effect.

5. All requisite insurance policies to be maintained by Contractor pursuant to the Agreement, as may have been amended from time to time, will include coverage for this Amendment.

6. The individuals executing this Amendment and the instruments referenced in it on behalf of Contractor each represent and warrant that they have the legal power, right and actual authority to bind Contractor to the terms and conditions of this Amendment.

CONTRACTOR

CITY OF CARLSBAD, a municipal corporation of the State of California

\*By:

By:

\_\_\_\_\_  
(sign here)

\_\_\_\_\_  
CTBID Chairperson

\_\_\_\_\_  
(print name/title)

ATTEST:

\_\_\_\_\_  
(e-mail address)

\*\*By:

\_\_\_\_\_  
LORRAINE M. WOOD  
City Clerk

\_\_\_\_\_  
(sign here)

\_\_\_\_\_  
(print name/title)

\_\_\_\_\_  
(e-mail address)

If required by City, proper notarial acknowledgment of execution by contractor must be attached. If a Corporation, Agreement must be signed by one corporate officer from each of the following two groups.

**\*Group A.**  
Chairman,  
President, or  
Vice-President

**\*\*Group B.**  
Secretary,  
Assistant Secretary,  
CFO or Assistant Treasurer

**Otherwise**, the corporation must attach a resolution certified by the secretary or assistant secretary under corporate seal empowering the officer(s) signing to bind the corporation.

APPROVED AS TO FORM:

RONALD R. BALL, CTBID General Counsel

By: \_\_\_\_\_  
General Counsel

City Attorney Approved Version #05.22.01

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## **EXHIBIT "A"**

### **SCOPE OF SERVICES AND FEE**

The scope of services proposed to be delivered by RR&A team includes, but not limited to the following key deliverables:

1. Develop a new 2009-2010 VisitCarlsbad business plan inclusive of sales and marketing strategies and budget.
2. Monitor the execution of the action plan by the new VisitCarlsbad executive director and advise on adjustments to the program of work, depending upon performance measures and results.
3. Monitor the VisitCarlsbad branding initiative to ensure proper execution and embracement of the brand by the local tourism community.
4. Supervise the "Endless Summer" contractual agreement between CTBID and Mindgruve and ensure follow-through on all deliverables and results.
5. Supervise the contractual agreements for interactive media, web development, public relations, special promotions, group sales and marketing activities, and online reservations.
6. Launch a commission-free group meetings lead generation initiative for Carlsbad in the national meetings market through Destination Marketing Association International (DMAI).
7. Mentor the new VisitCarlsbad executive director to maximize the CTBID's investment in the new organization.
8. Initiate, in conjunction with the hotel community, the implementation of the 1994 BID Act, which allows, upon approval, for the BID to operate on a five-year cycle versus the current year-to-year cycle.
9. Leverage relationships with regional VisitCarlsbad (i.e., ConVis and San Diego North) to enhance inclusion in broader marketing initiatives.
10. Upon request, provide consulting services to the VisitCarlsbad Board of Directors on sales and marketing strategies for Carlsbad.
11. RR&A to meet with and report monthly and/or quarterly with the CTBID Board, orally and/or in writing, at the request of the CTBID Board.
12. Phase III fee for RR&A services will be \$6,000 per month and consist of a maximum of 30 hours per month, at the rate of \$200 per hour; to be billed monthly.